



House of Representatives

General Assembly

File No. 79

January Session, 2019

Substitute House Bill No. 5125

House of Representatives, March 21, 2019

The Committee on Planning and Development reported through REP. MCCARTHY VAHEY, C. of the 133rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT INCREASING THE PROPERTY TAX ABATEMENT FOR CERTAIN FIRST RESPONDERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-81w of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2019*):

3 The legislative body of any municipality may establish, by
4 ordinance, a program to provide property tax relief for a nonsalaried
5 local emergency management director, any individual who volunteers
6 his or her services as a firefighter, fire police officer, as defined in
7 subsection (a) of section 7-308, emergency medical technician,
8 paramedic, civil preparedness staff, active member of a volunteer
9 canine search and rescue team, as defined in section 5-249, active
10 member of a volunteer underwater search and rescue team, or
11 ambulance driver in the municipality, or any individual who is a
12 retired volunteer firefighter, fire police officer or emergency medical
13 technician and has completed at least twenty-five years of service as a

14 volunteer firefighter, fire police officer or emergency medical
15 technician in the municipality. Such tax relief may provide either (1)
16 (A) for the period commencing July 1, 2019, and ending June 30, 2021,
17 an abatement of up to one thousand five hundred dollars in property
18 taxes due for any fiscal year, and (B) on and after July 1, 2021, an
19 abatement of up to two thousand dollars in property taxes due for any
20 fiscal year, or (2) an exemption applicable to the assessed value of real
21 or personal property up to an amount equal to the quotient of one
22 million dollars divided by the mill rate, in effect at the time of
23 assessment, expressed as a whole number of dollars per one thousand
24 dollars of assessed value. Any ordinance may authorize interlocal
25 agreements for the purpose of providing property tax relief to such
26 volunteers who live in one municipality but volunteer or volunteered
27 their services in another municipality.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2019</i>	12-81w
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PD

Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 20 \$	FY 21 \$
Various Municipalities	Potential Revenue Loss	Less than \$50,000 per municipality	Less than \$50,000 per municipality

Explanation

There is a potential revenue loss to municipalities resulting from the bill, which increases the maximum property tax abatement a municipality may provide to certain first responders from \$1,000 to \$1,500. Existing tax abatements to first responders are permissive, and therefore any such increase would be optional by the municipality.

If such an increase were provided, only first responders who owe property taxes above the existing \$1,000 threshold would benefit. It is unknown, of the 22,000 first responders in Connecticut, how many owe such taxes. The impact to any such municipality would vary based on how many of these first responders serve in their town.

For example, if thirty of West Haven's 45 volunteer firefighters owned homes, there would be a total estimated revenue loss to the municipality of \$15,000 resulting from the increased abatements.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: City of West Haven

OLR Bill Analysis**sHB 5125*****AN ACT INCREASING THE PROPERTY TAX ABATEMENT FOR CERTAIN FIRST RESPONDERS.*****SUMMARY**

This bill increases the maximum property tax abatement municipalities may, by ordinance, provide to certain active and retired volunteer emergency personnel from \$1,000 to \$1,500 for FYs 20 and 21, and from \$1,500 to \$2,000 for FY 22 and thereafter.

By law, a municipality may provide tax relief to qualifying volunteer emergency personnel in the form of either an abatement or an exemption. An abatement is a reduction in the amount of taxes owed; an exemption is a reduction in the property's assessed value for tax purposes.

Under current law, either form may reduce the amount a qualifying taxpayer owes by up to \$1,000. The bill increases the amount of such relief a municipality may provide via abatements but not exemptions.

EFFECTIVE DATE: July 1, 2019

BACKGROUND

By law, municipalities may provide tax relief to the following types of active and retired volunteers:

1. local emergency management directors;
2. firefighters and fire police officers;
3. emergency medical technicians;
4. paramedics;

5. civil preparedness staff;
6. active members of a volunteer canine search and rescue team;
7. active members of a volunteer underwater search and rescue team;
8. ambulance driver in the municipality; and
9. retired volunteer firefighters, police officers, or emergency medical technicians who have completed at least 25 years of service in those roles.

The tax relief ordinance may also authorize interlocal agreements for providing tax relief to certain active and retired volunteers who live in one municipality but volunteer or volunteered their services in another municipality.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/08/2019)